

National Clean Cities Conference
San Diego, CA
May 2000

- **AFV MARKET AND INFRASTRUCTURE DEVELOPMENT**
- PA's Alternative Fuels Incentive Grant Program
- Susan K. Summers
- Program Manager
- Dept. of Environmental Protection
- Bureau of Air Quality
- Harrisburg, PA 17105
- E-mail: summers.susan@dep.state.pa.us
- www.dep.state.pa.us (choose Subjects/Air Quality)

PENNSYLVANIA'S ALTERNATIVE FUELS INCENTIVE GRANT FUND (AFIG)

An Overview

BACKGROUND

- **AFIG fund established through passage of Act 166 in December 1992.**
- **AFIG fund receives an estimated \$3.5 - \$3.9 million annually from the general fund.**
- **Effective July 1, 1993. Regulations published September 10, 1994. First grants - July 1995.**

AFIG - An Overview

- **Goals to improve air quality through the use of clean burning alternative motor vehicle fuels; to displace conventional fuels derived from foreign oil; stimulate market for domestically produced fuels.**
- **Provide grants to increase the number of refueling /recharging facilities; alternatively fueled vehicles and advanced vehicle technology.**

AFIG - An Overview

Completed seven funding cycles awarding \$17.2 million and leveraging close to \$50 million.

Funding Schedule	Percent of Project Cost
1993 - 95	60%
1995 - 97	50%
1997 - 99	40%
1999 - 2001	30%
2001 - thereafter	20%

- **Funding reduced as market grows.**

AFIG - An Overview

Project Summary – Cycles 1 - 7

- **Number of NGVs – 1,320**
- **Number of EVs - 63**
- **Number LPGVs – 236 (221 in C6)**

Total AFVs – 1,619

- **Number CNG stations – 82 + 1 LNG**
- **EV rechargers – 58**
- **LPG and E85 facilities – 16**

Total Refueling/recharging - 157

AFIG - An Overview

Highlights – July 1995 to June 1999

- **60 refueling facilities completed**
- **Miles traveled on AFs – 5.7 million**
- **Equivalent gallons AF consumed – 1 million**
- **Barrels of oil saved – 24,000**
- **Six PA transit authorities with CNG buses**
- **School district fleet surpassed 2 million miles**
- **Colleges and universities, police department, local governments, airports.**

AFIG - An Overview

TRENDS

- **Shift from aftermarket conversion to OEM purchases.**
- **Consistent high interest in NGVs .**
- **Increasing interest in ethanol (E85) and FFVs.**
- **OEM EV purchases replaced with 3 years leases.**
- **Incentives decreased and applications declined.**
- **Independent gasoline station partners.**

AFIG - An Overview

ISSUES AND DISINCENTIVES

- **Limited application opportunities.**
- **Processing applications/grants time consuming.**
- **Limited AFV order and delivery windows.**
- **AFV delivery delays.**
- **Incremental cost high – EVs highest.**
- **Transit/school buses - long turnover periods.**
- **Transit/school bus incremental cost high.**

AFIG - An Overview

INFRASTRUCTURE GROWTH

- **Need more AFVs! Fuels will follow!**
- **Federal tax credit for AFV purchase not deductions .**
- **Need fuel tax and clean air credits.**
- **Station owners need to make a profit.**
- **Stations - more accessible.**
- **Partner with gasoline /diesel refueling.**
- **Need incentives for tax-exempt entities.**